



ENVIRONMENTAL PROTECTION AGENCY

[FRL – 9905-40-Region 10]

Notice of Termination of Clean Air Act Outer Continental Shelf Permits Issued to Shell for the Discoverer Drill Ship and the Kulluk Conical Drilling Unit

AGENCY: Environmental Protection Agency (EPA) Region 10.

ACTION: Notice of final action.

SUMMARY: This notice announces that the Environmental Protection Agency (EPA) Region 10 has terminated the Clean Air Act Outer Continental Shelf (OCS) Prevention of Significant Deterioration (PSD) permit for the Discoverer drill ship and the OCS permit to construct and Title V air quality operating permit for the Kulluk conical drilling rig.

DATES: EPA Region 10 terminated the OCS air permits for the Discoverer drill ship and the Kulluk drilling unit on December 26, 2013. The terminations of the two permits were effective on that date. Pursuant to section 307(b)(1) of the Clean Air Act, 42 U.S.C. 7607(b)(1), judicial review of these permit terminations, to the extent it is available, may be sought by filing a petition for review in the United States Court of Appeals for the Ninth Circuit by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN FEDERAL REGISTER]**.

ADDRESSES: The documents relevant to the above-referenced permit terminations are available for public inspection during normal business hours at the following address: U.S. Environmental Protection Agency, Region 10, 1200 Sixth Avenue, Suite 900, Seattle, WA 98101. To arrange for viewing of these documents, call David Bray at (206) 553-4253.

FOR FURTHER INFORMATION CONTACT: David Bray, Office of Air Waste and Toxics, U.S. Environmental Protection Agency, Region 10, 1200 6th Avenue, Suite 900, Seattle, WA 98101.

NOTICE OF FINAL ACTION AND SUPPLEMENTARY INFORMATION: In September and October 2011, the EPA Region 10 issued Clean Air Act Outer Continental Shelf (OCS) permits to Shell to conduct exploratory drilling in the Chukchi and Beaufort Seas on the Arctic OCS. The EPA issued these OCS air permits to the Discoverer drill ship for both the Chukchi Sea and the Beaufort Sea and to the Kulluk Conical drilling unit for the Beaufort Sea.

In December 2011, while the three OCS air permits were subject to administrative petitions before the EPA's Environmental Appeals Board, the President signed legislation that transferred the authority for regulating air emissions on the Arctic OCS from the EPA to the U.S. Department of Interior (DOI). Transition language in the law provided that the transfer of authority from EPA to DOI did not invalidate the pending Shell permits.

The Discoverer permits became effective in January 2012 and the Kulluk permit became effective in April 2012. Shell used the Discoverer Chukchi Sea and Kulluk Beaufort Sea OCS air permits in the 2012 drilling season to drill "top hole" wells in both Seas. Shell did not use the Discoverer Beaufort Sea OCS air permit in 2012.

In a letter dated November 6, 2013, Shell requested that the EPA terminate the Discoverer Chukchi Sea and the Kulluk Beaufort Sea OCS air permits so that Shell can seek air regulatory authorization from the DOI Bureau of Ocean Energy Management. Shell asserts that termination of the EPA OCS air permits is consistent with the 2011 Congressional transfer of authority for air quality management in the Arctic OCS from EPA to DOI. In the letter, Shell also explained that the Discoverer was never constructed in the Beaufort Sea within the 18-month period required by the permit and, as a result, the Shell Discoverer Beaufort OCS air permit expired in July 2013.

In a letter dated December 26, 2013, the EPA terminated, effective immediately, the OCS air permits for

the Discoverer (Chukchi Sea) and the Kulluk (Beaufort Sea), thereby completing the transfer of authority for air quality management in the Arctic OCS to DOI.

Dated: December 26, 2013.

Kate Kelly, Director,
Office of Air, Waste and Toxics.

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